

Can Deco, development save city?

BEACH / from 1A

condominium tower that rose at the southern tip of the island to a half-dozen newly restored hotels on Ocean Drive, South Beach is getting its first economic boost in more than two decades.

The strongest reinvestment surge is in the Art Deco historic district, a densely packed neighborhood east of Alton Road between Sixth Street and Dade Boulevard. The federally designated area is unique because most of its 800 buildings are less than 60 years old. Although historic places usually recall the distant past, the Art Deco district is younger than many of its residents.

Revived interest in the fluid Deco style is bringing international attention to the tiny district, which shares a Biscayne Bay skyline with downtown Miami. Magazines, feature films and TV's Miami Vice have turned the streets into a revolving stage set, and Deco enthusiasts are thrilled.

But problems persist

Despite the overnight acclaim, South Beach remains a troubled area. The maladies of aging, poverty and crime plague many of the 46,000 people who crowd the neighborhood's 232 blocks. Some families live five to a room in battered apartments. Drug dealers and prostitutes keep prospering despite stepped-up police enforcement.

Increasingly, the neighborhood's social service agencies are shifting their focus to the young and poor and away from the old and infirm. Since 1980, young Latinos have replaced elderly Jewish residents as the area's dominant group.

"This isn't the land of milk and honey," said Miami Beach Mayor Alex Daoud, "but it is a land of opportunity. We are looking for new people who are willing to leave the suburban comfort zone and take a chance on the city. We have some great deals here, deals that wouldn't exist if things were perfect."

Investors seem ready to gamble on imperfection. Twenty-seven South Beach hotels changed hands last year, a number surpassed only once in the past 22 years. Designa-

pipes in South Beach's residential areas.

The side streets are changing as developers buy and restore dilapidated apartment houses. The renovations bring substantial rent increases, but buildings such as the Fenimore near Flamingo Park have rented quickly. Most new residents are drawn by the 15-minute commute to downtown Miami and by the district's historic charms.

Designation as a historic district places South Beach in a class with Georgetown in Washington, D.C., Greenwich Village in New York City and the French Quarter of New Orleans.

More than anyone, preservationist Barbara Capitan is credited with getting the federal government to recognize the district's keepsakes. Now, eight years after winning the historic designation fight, Capitan advocates making South Beach a time capsule of the 1930s, just the way Williamsburg, Va., preserves colonial America.

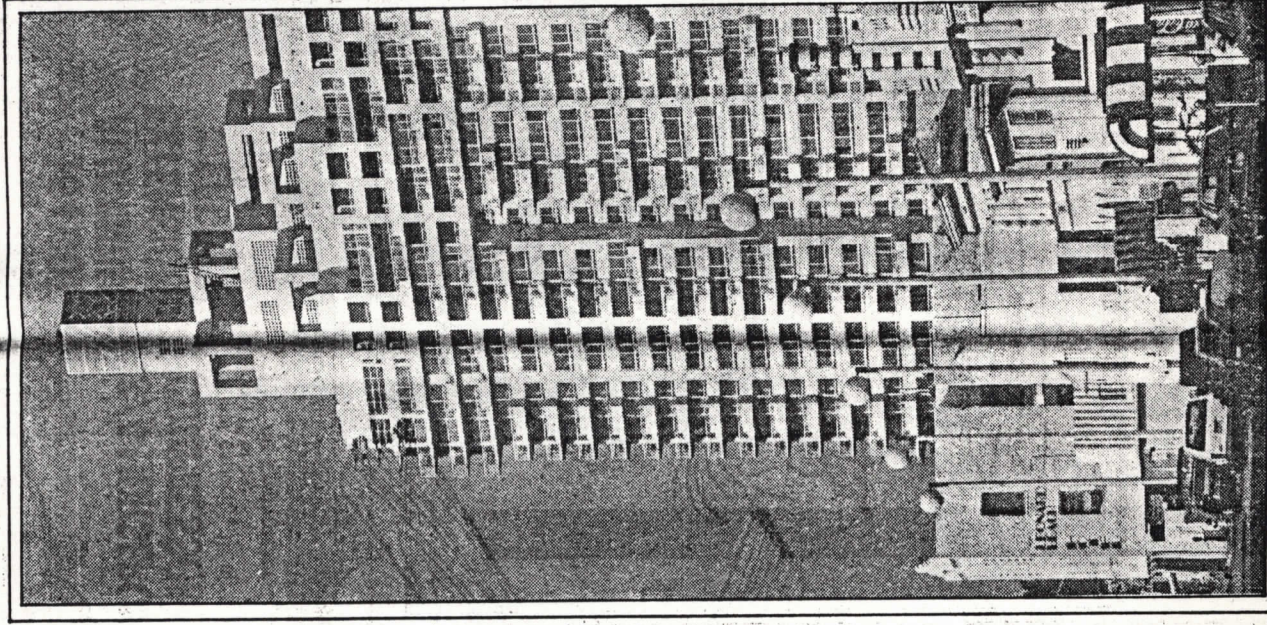
"People love historic Williamsburg," Capitan said. "Williamsburg is always thronged with people and it doesn't have Florida's beaches and weather. I believe the Art Deco District will thrive on cultural tourism."

Worth more than visit

Capitan said the complex urban fabric of South Beach appeals to sophisticated travelers, especially those from the urban Northeast and Europe. As South Beach is changing, some tourists are deciding it's worth more than a visit.

"Four years ago, I came to Miami Beach, walked the streets and fell in love with the place," said Henry Anvil, who is moving his unisex clothing business from Manhattan's Chelsea district to Fifth Street in South Beach. "People in New York tell me I'm crazy coming to Florida. But really, New York is getting prohibitively expensive for a small business. It's not just the money. I think South Beach is really going to become a happening place."

Thirty new businesses in the neighborhood have formed an alternative chamber of commerce called The Network. They say the Miami Beach business is a



are getting better, but not here."

Elaine White, 35, and Nelson Bentancur, 30, have an apartment six blocks south of Katz and Feldman, yet they describe a different South Beach.

"There are police around wherever you go," Bentancur said. "I walk around at night, and I never feel like it's not safe," White added.

The two live in a newly renovated building on Drexel Avenue. White, who grew up in western Michigan, said she loves the close contacts of urban life.

"It's like a real hometown," she said. "You can walk to the markets and to the beach. ... I like the idea of being a pioneer. I think I'd buy a place here if the right deal came along."

As pioneers, White and Bentancur staked their claim close to the fort, in this case the Miami Beach Police Station. In March, the police headquarters moved from the island's southern tip to Washington Avenue and 11th Street.

Since 1983, Miami Beach's crime rate has increased 18 percent. Fifty-eight percent of that crime occurred in South Beach, where about half the city's people live.

"We've only been open a month and we already had a big break-in," complained Juan Martinez, manager of the Decolectable antique shop on 14th Street. "I'm all for cops walking the beat. I'm here because I see positive change happening. Still, I'm afraid people will see this as a ghetto if they can't stop the crime."

'Battle for territory'

Yet restaurant owners and hoteliers from Ocean Drive to Washington Avenue say crime is decreasing as the neighborhood's nightlife expands.

"I see this as a battle for territory," said Pieter Bakker, who is restoring the Fairmont Hotel and an adjacent apartment building on Collins Avenue. "As the good people push out the undesirables, the whole area will come back."

Most in South Beach's new business class say the district will begin to bustle within two years. In five years, they say, the neighborhood will rival New Orleans' Bourbon Street for nightlife.

Western Hemisphere, complete with grandiose sketches of man-made canals lined by hotels, shops, restaurants and people. The plan ushered in a building and renovation ban that lasted until 1983. The moratorium was supposed to be the first step in the razing and rebuilding of the neighborhood. Instead, it was a giant leap in the direction of decay.

South Pointe today is a web of substandard dwellings and residents plagued with a wide range of social and medical ills. Yet it is also site of a new luxury condominium development, South Pointe Towers. Plans for the \$35-million project call for four high-rise apartment buildings, a hotel and street-level shops overlooking Government Cut. Early this month, a lender filed foreclosure proceedings against the development's first-phase building. The suit is under negotiation.

Joe's Stone Crab, founded in 1913, is a South Florida institution across the street from the condo project. Miraculously, Joe's prospered as the surrounding neighborhood collapsed.

"I don't know why Joe's survived," owner Jo Ann Sawitz said. "... My only explanation is that Joe's is bigger than a restaurant. It has a special place in this city. It has had a national reputation for 50 years."

Sawitz is convinced that South Pointe will become prosperous. In preparation, she has bought lots around the restaurant that someday might be used for parking garages or sold for a profit.

While the city treasures Joe's, it hopes developers will tear down almost everything else in South Pointe and build anew. To that end, the City Commission leased waterfront parkland for construction of two restaurants. The commission argued that the concession of public land would help draw more investment nearby.

Also, a city zoning law prohibits restoring most of South Pointe's buildings. The law effectively encourages demolition and reconstruction of the entire neighborhood.

"We are taking our public land and our public authority and using them to coax the redevelopment of the area," city planner Jud Kurland cheek said. "We're hoping private

once in the past 22 years. Designation as a federal historic district and real estate speculation sparked the Miami Beach business establishment isn't attuned to their market and their tenuous beginning.

"The local money has heard bad news from South Beach for so long that they don't want to hear from us," said Woody Vondreck, president of The Network and owner of a Washington Avenue print shop. "Most of the people coming here are pioneers. They are eating macaroni and cheese while the district gets going. They don't fit well in the Miami Beach power structure."

The new businessmen rely on the patronage of tourists and other pioneers. Many come from the urban Northeast and enjoy South Beach's mix of ethnic and economic groups. It is more akin to Manhattan's Lower East Side than to Kendall. It is also one of the few places in Florida where foot travel is considered normal.

Christopher Reda, 24, an artist who works as a waiter at The Strand restaurant, recently bought an apartment in the district. His only transportation is a bicycle.

Seeking city's revival.

"We're rebuilding a city," said Woody Graber, spokesman for the development corporation. "It's just the beginning. Ocean Drive is coming alive, and new restaurants are opening on Washington Avenue."

At night, jazz at The Waldorf, Cafe des Arts and The Tropics International offer trendy menus and music near the middle of Ocean Drive. All three opened in the past year. Horse-drawn carriages clatter down the street in the evening, often carrying men in tuxedos and women in white silk dresses. On Washington Avenue, two blocks west of Ocean Drive, The Strand restaurant offers New American cuisine and is often crowded until early morning.

The nascent nightlife is attracting people who had snuffed the Beach.

"I was really surprised," said Debbie Mello, a Kendall resident who made a first visit to Ocean Drive's new clubs on Memorial Day weekend. "... South Beach used to be totally dead."

Mello's surprise is shared by many. Two years ago, music on the street boomed from ghetto blasters, and liquor came in low-cost pints. Today, jazz wafts through the open windows of busy bistros, and stylish couples drink French champagne.

The city's contribution to the comeback is a \$3 million bond issue to rebuild Ocean Drive, widen the sidewalk and renovate Lummus Park. Work began on the park two weeks ago. The city also has spent \$9.5 million reconstructing streets and replacing water

pipes. Just to the east on the Avenue, arts patron Mitchell Wolfson Jr. restored The Sterling Building, an Art Deco edifice illuminated in blue neon after dark. The building is home to The Foundlings Club, a new women's luncheon group, and several galleries.

The fledgling Miami City Ballet occupies the former Bonwit Teller building near the eastern edge of the arts district.

The vibrance of the arts colony fades quickly where the mall meets the side streets. Hyman Katz, an 82-year-old retired New Yorker who lives half a block off Lincoln Road, said he regrets having moved to South Beach.

"Miami Beach is gone. It's finished. It will be dead for the rest of the century," Katz said.

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MIAMI BEACH: A LOOK AT HISTORY THEN AND NOW

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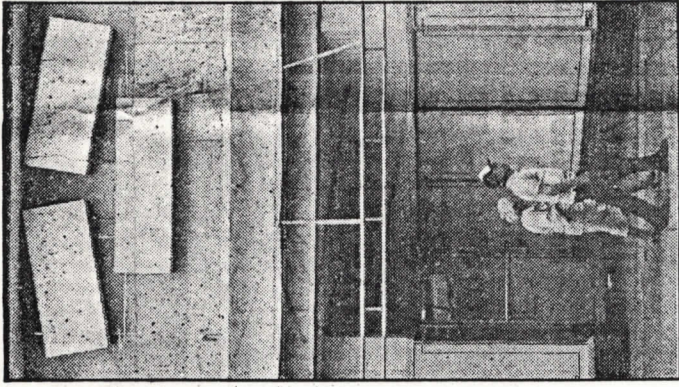
1947. The Army Air Corps occupies more than 100 Miami Beach hotels - turned barracks. Among fliers trained here: pilot Clark Gable.

PAST AND FUTURE

Above: The new South Pointe Towers complex looms over the Ocean Drive structures of another day.

At left: Parts of Lincoln Road Mall are still deserted despite an infusion of life from the South Florida artist community.

Photographs by Brian Smith



sitting in front of his Pennsylvania Avenue apartment building. "Look at Flamingo Park. People used to go down there every day to play shuffleboard. You used to wait hours for a game. Now, nobody's left to play."

"Everything is changing, and it's changing for the worse. Older people these days won't come here. You can't even give the condominiums away in this neighborhood. If you could, I'd leave."

Gizelle Feldman, 85, who was seated close to Katz, said the fear of crime rules her life.

"I never feel comfortable," she said. "We have so many hoodlums on the street. They follow you along Washington Avenue. There are more of them now than ever. Maybe some parts of South Beach

are at their worst below Sixth Street, the border that separates the Art Deco District from a city-designated redevelopment zone. Today, the city is calling the area South Pointe.

In 1973, Miami Beach announced a plan to turn South Pointe into the Venice of the

1950-51. Beach hotels try the first year-round season, buoyed with package tour promotions pioneered by Delta and National airlines.

1960. Miss USA-Miss Universe shows debut.

1963. The Jackie Gleason Show.

1977. The Miami Design.

1982. New York Hotel is demolished by a consortium of real estate investors that includes Abe Resnick, later to be elected a city commissioner.

1981. Progressive Architecture magazine features Friedman's Bakery on its cover. Era of rediscovery begins.

1982. Ocean Drive and Collins Avenue become Miami Beach's first city-designated historic district.

1987. Biscaya is razed, 62 years after making its debut as the Floridian Hotel.

1987. New Miami.

neighborhood will rival New Orleans' Bourbon Street for nightlife.

"I'm so sure this area will change that I'd like to buy every significant building in it," said preservationist Gerry Sanchez, South Beach's most publicized entrepreneur. "When the season of the pioneer ends, the cost of buildings here will be incredible."

Pioneering is risky. Club Ovo at the Warsaw Ballroom, which opened on Espanola Way a year ago, closed this month. Richard Bedrosian, the club's manager, said Ovo was successful initially, then suffered from competition with two nearby night spots, Club Nu and 1235.

"When you open up a nightclub this size in a region of five million, you are looking at about 200,000 as possible clients. That really isn't very many," Bedrosian said.

'Scummy' area feared

He said it was difficult getting well-to-do customers to come to a district filled with street people: "I've had people who have come here in Rolls-Royces, who don't want their car parked anywhere but in front of the club."

Janet Aptaker, who opened the Tidal Waves hair salon across the street from Ovo in April, said the atmosphere in her neighborhood isn't conducive to business.

"To be honest, the rents are low, which is good, but the place is real scummy, which is bad," said Aptaker, who moved to South Beach three years ago and recently bought a co-op apartment in the district. "It's not an easy problem. We want more code enforcement, but we worry about the people who would be displaced from their homes when that happens."

The problems of urban blight are at their worst below Sixth Street, the border that separates the Art Deco District from a city-designated redevelopment zone. Today, the city is calling the area South Pointe.

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the area," city planner Jud Kurian cheek said. "We're hoping private investment will follow us in."

2 South Beach policies

The city, then, has two policies in South Beach. Below Sixth Street, the goal is urban renewal. Above Sixth Street, the plan is for restoration.

In 1985, the City Commission passed an ordinance designating part of the national historic district as a city preservation zone. Under the law, a building can't be demolished for six months after a permit is approved. Last month, a major South Beach developer announced that it would do just that. The Royale Group, owner of the Carlyle, Leslie and Cardozo hotels, plans to demolish the Senator, a Collins Avenue hotel that Art Deco enthusiasts call one of the most significant buildings in the district.

Royale officials argue that the city isn't moving quickly enough to create parking in the Ocean Drive area. The firm wants to build a parking garage on the Senator site, which would create private parking for Royale's half-dozen other hotels.

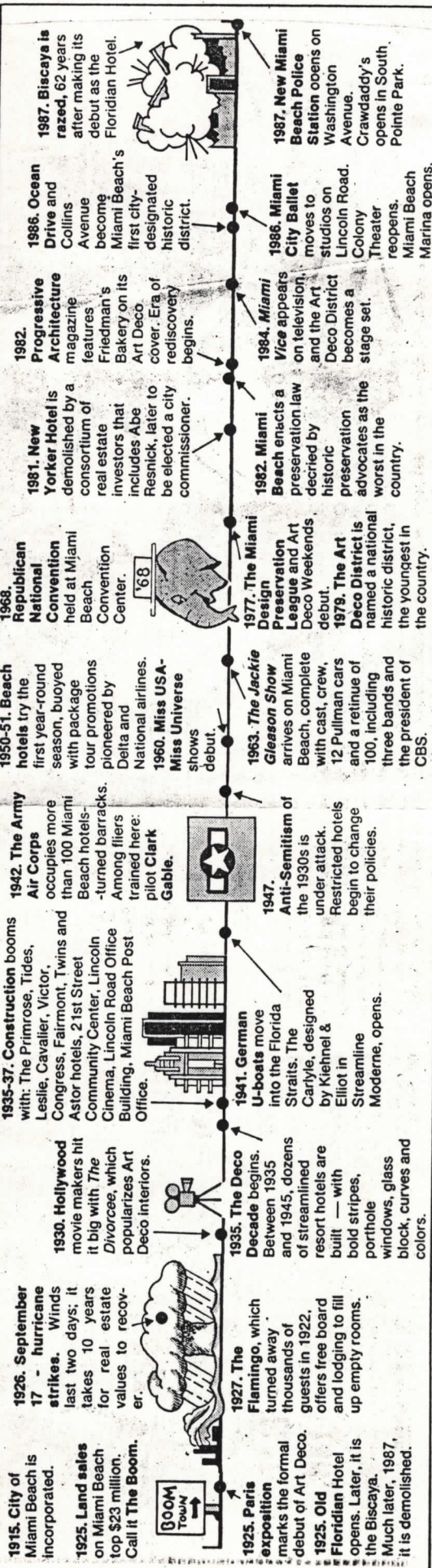
"I can't wait for the city to begin building parking lots," said Jacob Der Hagopian Jr., Royale's executive vice president. "I have too much at stake."

The Senator proposal has not only outraged preservationists, but also has started a debate about whether the city needs a stronger law to protect the key Art Deco buildings.

"We're learning that there is almost no protection for historic buildings," said Don Megninley, manager of the restored Waldorf Towers hotel on Ocean Drive.

"Supposedly, we're doing historic restoration here. ... I can't understand why some of the developers are opposed to stricter preservation laws, but they are. If the Senator goes, what's to stop people from going into Collins Avenue and turning the whole thing into parking garages? That could be the price of success."

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who we finance," said Jack Carson, the NCNB vice president who approved Sherman's loan. "I am convinced that someday South Beach will be a gold mine, but someday might be in five or 10 years. As a banker, I want to know how much money we have at risk right now."

Saul Gross, president of Streamline Development, last year tried to sell units in his renovated Parc Vendome building on 13th Street and Meridian Avenue as condominiums. He soon learned the idea wouldn't work.

"We didn't get much cooperation from the banks," said the 32-year-old Gross. "They couldn't appraise the apartments for what we wanted to sell them for."

Streamline has renovated nine buildings besides the Parc Vendome, and Gross said he had no egg.

Her friend, Frieda Frier, echoed those sentiments.

"All I see are young people. I don't know what has happened to our old friends," said Frier, who gave her age as "close to 80." She said that next year, she would try to find another town in Florida to visit.

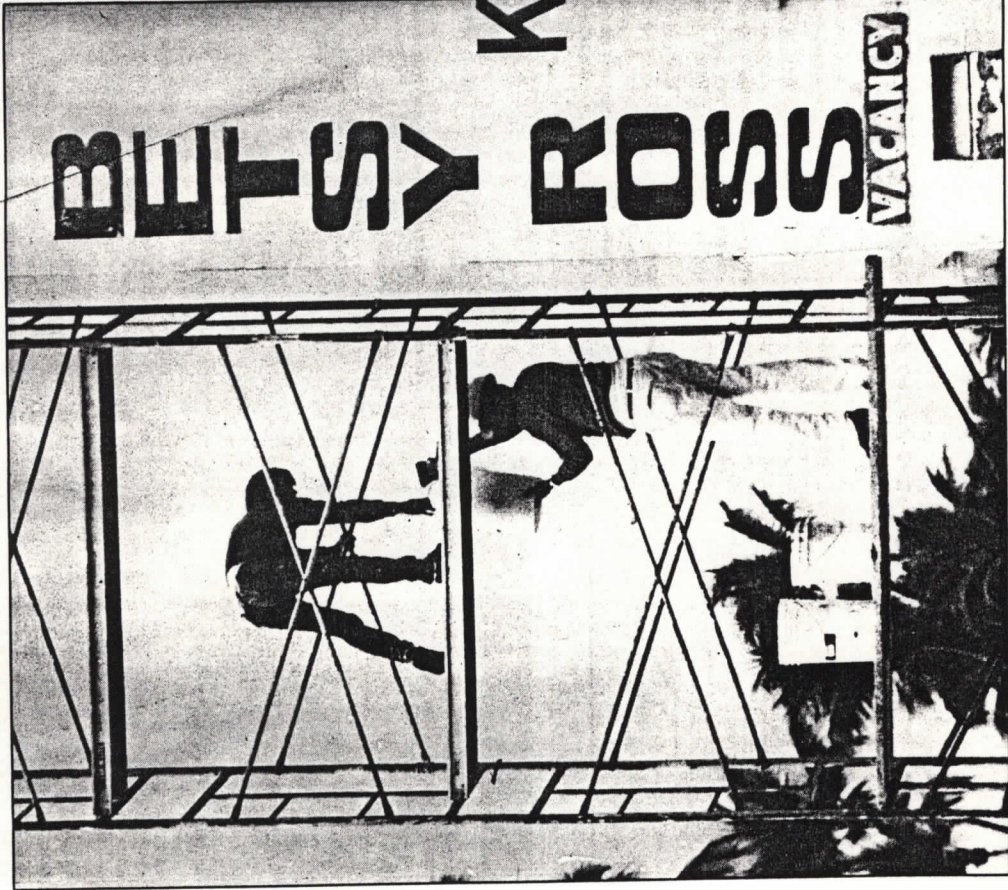
"It's funny," Frier said. "My generation built this town, and now nobody wants us here."

While some of the elderly see

"There is really no protection for these buildings right now. If the developers are really interested in historic renovation, they should be willing to provide easements that would protect the district from demolition."

Ernie Martin, an officer of the Miami Design Preservation League, said doing business in the Art Deco District should come with strings.

"There are the economics of business and the economics of historic preservation," Martin said. "Local government has to realize that South Beach will come back because of its historic qualities. If you destroy too many buildings for parking, you will destroy what made the place special. You would, in effect, kill the goose that laid the golden egg."



Workers give the Betsy Ross Hotel on Ocean Drive a fresh coat of paint.

BRIAN SMITH / Miami Herald Staff

The Panocest Plaza Apartments on Collins Avenue was ignored for years, anonymous as a shabby street person who had seen better days.

But look at the seven-story Art Deco building now. The Helen Mar — its original name — is handsomely restored with a color scheme of white, cream and coral set off by ocean blue trim.



Michael Harvey to see the value in restoring the Helen Mar and turning it into a condominium.

The structure, built in 1936 by John Marsa, was named for his mother, Helen, and the first three letters of their last name. Because the building is on Lake Panocest Drive between Collins and Pine Tree Drive, it was eventually renamed Panocest Plaza by subsequent owners, but had no connections to Miami Beach architect Russell Panocest.

There are some famous names attached to the building's history, however.

Esther Williams lived at the Helen Mar, which was considered fashionable in its day.

Some scenes from Frank Capra's movie *Hole in the Head* were filmed there. And during World War II, the building served as U.S.O. headquarters.

A splendid 9,000-square-foot, three-bedroom, three-bath penthouse with towering ceilings and views of the beach was built for fashion designer Lillie Rubin.

Last July, Harvey's company, Helen Mar Partners Ltd., bought the property for \$1.4 million from Eugene and Roberta Weiss, Bobby Goodis and Lionel Bosen. Financing was arranged by architect and lawyer Harry Hecking, a partner in the New York firm of Cole & Dietz.

Harvey, who grew up in Miami Beach, lives in New York. He produced *Kennedy's Children* and a revival of *Sweet Bird of Youth*. He also produced Truman Capote's *Glass Harp*, and *Happy End*, by Kurt Weill and Bertolt Brecht. It starred Meryl Streep and was nominated for five Tony awards.

After 12 years as a producer, Harvey inherited his father's shopping center in Hollywood. Ben Harvey, a real estate developer during Miami Beach's heyday, built the Ankara Motel next door to the Helen Mar.

Michael Harvey has found real estate management lucrative and challenging. "Every time someone asked me to produce a Broadway musical for \$5 million," he said, "I thought about the \$25 million building I could buy. Buildings don't close the next day."

He owns six apartment buildings and 13 stores in New York City's trendy East Village as well as commercial property on Washington Avenue in Miami Beach. His interest in the Beach was rekindled last year when a New York friend, artist and writer Philip Smith, also a former Miami Beach resident, extolled the Deco district's virtues.

"I knew this building as a kid," said Harvey, 43. "I used to come here to visit a friend, Barry Marlin. His family owned it at the time. When I looked around the area to make an investment, I saw this and fell in love with it."

The restoration was by architect and designer Yossi Friedman of the New York architectural firm Friedman/McAlpin. Friedman also is architectural consultant for The Strand,

Friedman said he focused on simple renovations, cleaning up, stripping down and essentially removing everything considered a design add-on. He discovered architectural friezes and charcoal gray glass strips banding the exterior of the lobby.

The parking lot, walled garden and swimming pool have been improved and the lobby given a Tropical-Deco look, with refurbished columns and a colorful wall-covering called "Beverly Hills Hotel."

There are actually two buildings at the Helen Mar. The main building rises seven stories and contains 52 two-bedroom, one-bedroom and studio apartments. The units range from about 500 to just under 1,000 square feet and will be sold from \$24,000 to \$62,000.

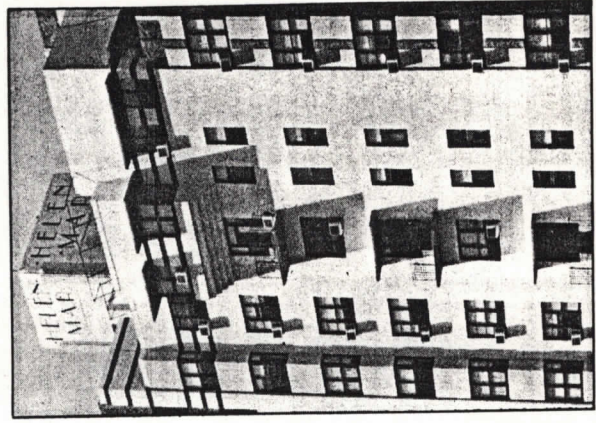
One- and two-bedroom apartments and large efficiencies are being created by connecting hallways between existing units. Kitchens will be enlarged.

The smaller building, a two-story structure surrounded by open-air catwalks, contains 34 studio apartments and a shared pool area. Both buildings face Lake Panocest.

Harvey said the building has 50 tenants, most of them elderly. Some plan to buy condos, others will move out when their leases expire. "I think younger people will be interested in buying these apartments," he said, "but I'd like to have a mix of ages in the building. It makes it more interesting."

He also said he plans to search for a company to finance buyers' mortgages. "If I can't find one, I'll finance them myself," he said, adding that down payments will be about 20 percent.

Harvey said the people who are "stopping by to ask about condos in this building are from Kendall and South Miami. They all say they want to be where the action is, and today that's the Beach. The Beach is being rediscovered as an affordable place to live."



The Helen Mar is going condo.